

## Message Text

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41

ACTION XMB-07

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 /103 W

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R 201445Z MAY 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0498

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DEPARTMENT PASS EXIMBANK, TREASURY, FRB

E.O. 11652: N/A

TAGS: EFIN, UK

SUBJECT: EXCHANGE CONTROLS

REF: STATE 83751; EXIMBANK A-3775

1. TREASURY REPRESENTATIVE HAS RAISED REFERENCED MESSAGES WITH BRIAN BENNETT, DIRECTOR OF EXCHANGE CONTROLS, BANK OF ENGLAND, AND HAS READ THE TWO MESSAGES VERBATIM TO BENNETT. BENNETT'S INITIAL REACTION WAS THAT THERE MUST BE A MIS-UNDERSTANDING. THE BANK OF ENGLAND IN NO WAY INTERFERES WITH PAYMENTS FOR IMPORTS UNDER SUPPLIER CREDITS. HE SAW ABSOLUTELY NO TRUTH IN THE ALLEGATION AND STATED THAT IT IS A MYSTERY TO HIM WITHOUT ADDITIONAL CHAPTER AND VERSE.

2. AFTER CHECKING WITH HIS STAFF, BENNETT DICTATED THE FOLLOWING REPLY FOR THE EXPORT-IMPORT BANK. QUOTE: THE BANK OF ENGLAND REPORTS THAT THERE IS NOT AND NEVER HAS BEEN ANY EXCHANGE CONTROL RESTRICTION ON PAYMENT ON THE DUE DATE FOR IMPORTS INTO THE U.K. THE MINIMUM PERIOD OF BORROWING FOREIGN CURRENCY FOR DOMESTIC USE DOES NOT APPLY AND HAS NEVER APPLIED TO FACILITIES MADE AVAILABLE BY THE EXPORT-IMPORT BANK OR ANY OTHER GOVERNMENT EXPORT FINANCE AGENCY. UNQUOTE.

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3. IF THE EXPORT-IMPORT BANK IS NOT SATISFIED WITH THIS  
REPLY, THE EMBASSY REQUESTS ADDITIONAL SPECIFIC CHAPTER  
AND VERSE IN ORDER THAT WE CAN FURTHER QUESTION THE BANK  
OF ENGLAND. BENNETT REPORTS THAT MICHAEL CODY OF THE U.K.  
TRADE AND SUPPLY DELEGATION IN THE BRITISH EMBASSY IN  
WASHINGTON HAS RECENTLY BEEN IN CONTACT WITH THE BANK OF  
ENGLAND ON A SIMILAR QUESTION AND IS FAMILIAR WITH THE  
BACKGROUND.

4. BENNETT ALSO EXPRESSED INITIAL REACTION THAT THERE  
MIGHT BE SOME CONFUSION OR LINK TO EC 66, REPORTED IN  
DETAIL IN LONDON 5097, OR THAT A U.K. IMPORTER MIGHT BE  
INCORRECTLY CITING IT IN AN ATTEMPT TO AVOID MAKING A  
SCHEDULED PAYMENT.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, FOREIGN EXCHANGE, IMPORT CONTROLS, TRADE VISITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LONDON06249  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740124-1012  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740534/aaaabdwd.tel  
**Line Count:** 77  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 83751; EXIMBANK A-3775  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GarlanWA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 JUN 2002 by cunninfx>; APPROVED <26 FEB 2003 by GarlanWA>  
**Review Markings:**

Declassified/Released  
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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXCHANGE CONTROLS  
**TAGS:** EFIN, UK, US, BANK OF ENGLAND, XMB, (CODY, MICHAEL)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005